

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on policies and Practices for advanced metering, demand Response, and dynamic pricing.

Rulemaking 02-06-001

**ADMINISTRATIVE LAW JUDGE'S RULING REGARDING
WORKING GROUP 2 AND WORKING GROUP 3 ISSUES**

I. Working Group 2 Issues

This ruling requests further information from respondents and parties based on a review of the Working Group (WG) 2 reports and the comments recently filed thereon. The information requested is set forth in a data request attached to this ruling (the "Attachment"). The Administrative Law Judge (ALJ) and staff supporting WG1 are interested in answers to these questions as necessary to support the Commission's decision-making process.

II. Working Group 3 Issues

The ALJ's draft decision dealing with Phase 1 WG3 issues was mailed to the parties on February 11, 2003. Under the Commission's rules, opening comments are due on March 3, with replies due on March 10. The representative of the California Consumer Empowerment Alliance (CCEA) advises, on behalf of the parties, that all parties have agreed to a three-day shortening of the comment period. Opening comments are now due on February 28, and replies are due on March 5, 2003.

IT IS RULED that:

1. Except as specifically noted in the Attachment, respondents shall and other interested parties may provide answers to the questions detailed in the Attachment, in the form of supplemental written comments. Such written comments shall be filed and served no later than March 7, 2003.

2. By agreement of the parties, the comment period with respect to the draft decision mailed on February 11, 2003 is shortened by three days. Opening comments are now due on February 28, 2003, and reply comments are now due on March 5, 2003. Parties may tender written comments for filing by mail on these dates, meaning that the Commission's Docket Office may receive them a day or so after the actual due date(s); however parties shall serve their written comments on the due date(s) both electronically and by mail to ensure prompt receipt by individuals on the service list.

Dated February 21, 2003, at San Francisco, California.

/s/ LYNN T. CAREW

Lynn T. Carew
Administrative Law Judge

ATTACHMENT

1. For each respondent's CPP proposal, please provide complete draft tariffs for each of the various customer classes that respondents propose to be eligible to participate. Please refer to the draft tariffs proposed by ACWA in the Nov. 15 WG 2 Report as a guide for the level of detail for the draft tariffs.
2. This question relates to the following proposals which were discussed at the February 7 WG1 Meeting: IOU CCP (w/ \$7.5 m. in transitional incentives); IOU DBP; CPA DRP; SDG&E HPO; and RTP pilot.
 - a. Please calculate the percentage change in the cost recovery of each customer class assuming system-wide recovery of the 2003 costs (\$16.2 m. in administrative and capital expenditures, and \$50.9 m. in incentives/bill changes). Develop a best-case and worst-case scenario, with the worst-case scenario assuming that the cost of energy purchases avoided in the hours of the CPP load curtailment do not offset customer bill savings. Also provide a summary of how the calculations were done.
 - b. Assuming that there will be uniform participation in the IOU CPP across all large customer tariff schedules, identify the tariff schedule likely to have the largest structural shortfall (defined as the shortfall resulting from customers receiving savings without actively modifying their loads). Please calculate the percentage increase in rates for that tariff schedule, assuming that the structural shortfall is recovered within the selected tariff (and all other costs are recovered system-wide). Also provide a summary of how the calculations were done.
3. For all proposals, proponents should verify if the proposed administrative budgets (as reported in either the Jan. 16 WG 2 Report (Table 2) or in comments submitted on Jan. 27) reflect the funding necessary for the comprehensive monitoring and evaluation plan as described in Section II.C of the Dec.13 WG 2 Report. If not, please provide cost estimates (first year, and on-going) of the funding necessary to cover the comprehensive monitoring and evaluation plan as described in the December report.
4. Provide an estimate of the initial and ongoing costs to install AB 29X RTP metering systems for >200 kW agricultural customers for the purpose of enabling these customers to participate in demand response tariffs or programs.
5. For SDG&E: For the first-year (\$131,250) and on-going (\$70,000) meter and meter installation costs for the CPP tariff (p. 6, Jan. 27 Comments), please revise these figures assuming that the tariff may be limited to customers > 200 kW.
6. Please provide comments on the following scenarios (selected from the examples listed in Section II.D of the Jan. 16 WG 2 Report) of participating in more than one demand response program/tariff. As part of your comments, cite potential

legal issues, equity issues, feasibility issues or any other issues that may arise if any or all of the following multiple participation scenarios were adopted.

- Example A. A bundled service customer on Critical Peak Pricing also participating on the CPA Demand Reserve Partnership (or utility Demand Bidding programs), but would not receive energy payments from CPA (or the utilities) during hours when Critical Peak Prices are in effect.
 - Example B. A customer on an OBMC rate also participating in the CPA DRP, but would not receive energy payments from CPA during hours when an OBMC curtailment is in effect.
 - Example C. A customer on interruptible rates could place additional load, below its firm service level on the interruptible rate, on the CPA DRP and receive reservation payments.
 - Example D. A customer on existing interruptible rates could have existing curtailable load participate in the CPA DRP spot market options (either CAISO Supplemental Energy market or Day Ahead/Hour Ahead ancillary service markets), except that no payments shall be made during hours of curtailment due to the interruptible rate.
7. For the respondents: provide 10-20 examples of individual customer peaks that represent various customer types for customers > 200 kW for the month of August 2002. Indicate the maximum peak for each customer and the date and time of those peaks during the month. Please provide the date and time of the utility's system peak for that month.
8. Please provide an analysis of the impact on the IOU Demand Bidding Program (DBP) proposals of the following: (a) shifting the price trigger from the ISO day-ahead price to utility specific procurement avoided cost; (b) adopting a methodology that scales baseline to actual demand.
9. Please provide descriptions of any previous, ongoing, and summer 2003 marketing and outreach efforts specifically targeted to existing AB29x RTP metering system customers. Include any efforts to acquaint customers shifting from monthly consumption-based tariffs to TOU tariffs with the consequences of such change, or general efforts to acquaint customers with how they could use their internet-accessible usage information to modify usage patterns and reduce costs.

10. Please provide any initial assessments and/or useful and available data related to demand reduction (peak and overall energy) of existing AB29x RTP metering system customers.

(END OF ATTACHMENT)

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Working Group 2 and Working Group 3 Issues on all parties of record in this proceeding or their attorneys of record.

Dated February 21, 2003, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.